DOCUMENT RESUME

ED 463 427 CE 083 025

AUTHOR Falk, Ian

TITLE Sleight of Hand: Job Myths, Literacy and Social Capital. CRLRA Discussion Paper.

INSTITUTION Tasmania Univ., Launceston (Australia). Centre for Learning & Research in Regional Australia.

REPORT NO CRLRA-D14/2001
ISSN ISSN-1440-480X
PUB DATE 2001-00-00
NOTE 18p.
AVAILABLE FROM For full text: http://www.crlra.utas.edu.au/files/discussion/2001/D14-2001.pdf
PUB TYPE Opinion Papers (120)
EDRS PRICE MF01/PC01 Plus Postage.
DESCRIPTORS Adult Basic Education; *Adult Literacy; Case Studies; Community Education; Definitions; Education Work Relationship; Educational Needs; Educational Objectives; Educational Policy; Educational Principles; Employment Level; Employment Patterns; Employment Problems; Foreign Countries; Global Approach; *Human Capital; Influences; Lifelong Learning; *Literacy Education; Policy Formation; *Public Policy; Role of Education; *Social Capital; Social Influences; Social Services; Trend Analysis; *Unemployment; Well Being
IDENTIFIERS Australia; United Kingdom; United States

ABSTRACT

The relationships existing among human capital theory, Australian public policy, literacy education, and the plight of Australia's long-term unemployed were examined. The following topics were considered: human capital theory-based public policies and literacy education; social capital and learning; building and using social capital; the "social justice" and "social coalition" approaches to policy; and the notion of "mutual obligation" in social welfare policies. Next, a case study of the effects of policy changes on the long-term unemployed was discussed. The findings of the study, which involved interviews with 23 people (including 15 long-term unemployed individuals who had been or were currently enrolled in adult literacy courses) were shown to support the following conclusions: (1) to be successful, welfare policy related to unemployed persons must address both human and social capital elements; (2) although the skills associated with human capital are important in accessing and controlling the kinds of social factors that come with globalization, they are not enough to prepare individuals to cope with the knowledge explosion accompanying globalization; and (3) adults requiring the "second chance" learning provided in adult literacy and communication education need help in developing the networks, social norms, and trust that is included in the concept of building social capital. (Contains 29 references.) (MN)

Reproductions supplied by EDRS are the best that can be made from the original document.

ED 463 427

Discussion Paper D14/2001

CRLRA Discussion Paper
Series ISSN 1440-480X

UNIVERSITY OF TASMANIA

CRLRA is a collaborative partnership between:

UNIVERSITY OF TASMANIA

BENDIGO REGIONAL INSTITUTE OF TAFE

JCU

UniTAFE Research Group of North Queensland

University of Western Sydney

Sleight of Hand: Job myths, literacy and social capital

Ian Falk

U.S. DEPARTMENT OF EDUCATION
Office of Educational Research and Improvement
EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

☑ This document has been reproduced as received from the person or organization originating it.

☐ Minor changes have been made to improve reproduction quality.

• Points of view or opinions stated in this document do not necessarily represent official OERI position or policy.

PERMISSION TO REPRODUCE AND DISSEMINATE THIS MATERIAL HAS BEEN GRANTED BY

I. Falk

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC)

Contact:

Associate Professor Ian Falk
Director, CRLRA
University of Tasmania
Locked Bag 1-313
Launceston TAS 7250
Ph: 03 6324 3713
Fax: 03 6324 3040
Email: Ian.Falk@utas.edu.au
Website: http://www.CRLRA.utas.edu.au

CE 083 025

Sleight of hand: Job myths, literacy and social capital

Ian Falk

Falling for the policy line

This is a story set in the context of the gap in policy between *Australia's language: The Australian language and literacy policy* (Department of Employment, Education and Training 1991) and Kemp's 'mutual obligation' policy (Minister for Employment, Education, Training and Youth Affairs 1997). The plot of the story tells how some people try to become employed and can't because they fall for the policy line. The theme of the story is their struggle and failure to meet society's expectations of what it is to be literate, confident and employed.

The long-term unemployed people who are the subject of this chapter include both speakers of English as a first language (the majority) and English as second language learners who try to gain an education and qualifications that will act as the ticket to a job. They repeatedly follow the 'right' procedures, they access and attempt to access courses that show them how to get jobs, and how to acquire the skills for those jobs, only to have the doors shut, the courses gone or inaccessible, the jobs not there, the promises broken, and then have the threat of their allowance being cut for 'being illiterate'. When they do hear of networks that include employed people, they find that those people did not, in recent times at least, get their jobs by joining the employment placement agency queues. Society and the government blame these unemployed people. It's their own fault – who else's fault could it be? These long-term unemployed believe 'the policy line' – that training, even lifelong learning, is likely to result in employment.

Society can understandably ask why this should be so. How is it that some people do get work as a result (we think) of going through the 'right' procedures and taking the 'right' education and training courses, while others can do the same and not get a job? The answer lies in two directions, I argue in this chapter. One answer lies is in the lost 'third capital' called social capital, specifically the mechanism of social capital known as 'networks' with their associated oil of trust. The other answer lies in the fact that we persist in nominalising 'literacy' rather than putting it into practice as the process of *learning*. These two factors are related and entwined, a message that I hope will be clear as the voices of the long-term unemployed people speak in this chapter.

The main forms of literacy entrenched in policy in Australia presently are components of *human* capital which, like other forms of capital, can be utilised without reference to their effects on the overall common good. Policy uses literacy for the whims of the political power of the time. Researchers get involved in debates about the nature of literacy as texts, as possessing power and of the proficiency of textual performance – all of which serve the underlying human capital model of literacy as a tool for indiscriminate ends. Practitioners battle with conflicting stories about 'basic skills', 'empowerment' and 'whole language'. My question is: have we as literacy educators and researchers fallen into the trap of nominalising literacy as an entity rather than operationalising it as a process? The focus on form rather than function seems to have taken our eyes off the main game, that is, the literacy resources that are required for learning. Learning is a social process, and involves a process of interactions – of people interacting with other people, with their

computers, with rooms, buildings, books, with 'the texts of their thoughts' which are in themselves all products of situated sociocultural interaction.

As a social process, learning is ultimately restricted by social rules and values that result, more or less, in the common good. Given our recognition both of the importance of physical capital (such as tools, place and technologies), and of our society's more recent flirtation with human capital, we seem to have missed on recognising the significance of the *social* capital required for effective social interaction and participation. The empowerment rhetoric has led to a dead end – what does it *mean*? What it *could* mean is that people need to have the resources to engage in critical social learning. Critical social learning impacts directly on the development of trust, social cohesion, economic outcomes and the common good.

We would all probably acknowledge the place of physical (economic, infrastructural, technological, environmental) capital in an accounting and economic sense. Also, most literacy educators understand (though may not agree with) the idea of human capital as being associated with skills. However, the significance of the *social* capital required for effective social interaction seems to have been left off the agenda. After all, adequate stocks of physical capital 'things' and human capital 'skills' can only be put into circulation and used (drawn on) through social processes. This is a crucial point to bear in mind as the ensuing discussion of research outcomes unfolds, since networks operationalise information and put it into circulation for others to access. Membership of networks with employment information, therefore, is likely to be a crucial factor in finding scarce jobs in a tight labour market.

To help clarify the difference between human capital and social capital, let me now set down some points about human capital, and follow with a comparison of human with social capital.

Human capital theory, policy and literacy education

The relationship between policy on literacy, funding that flows from it, and the effects of the policy strategies on their intended recipients is a complex one. This chapter examines the intersection of these three elements rather than focusing on one or the other, since it is the interrelationship that defines policy effectiveness for its intended purposes, not the nature or intent of the policy itself. Funding for the national and coordinated provision of a large number of adult literacy courses became available for the first time in Australia as part of the Commonwealth government's Australian Language and Literacy Policy (DEET 1991). This policy explicitly connected improvement in literacy skills to enhanced employment prospects under a group of policies at that time loosely described as the National Training Reform Agenda. Connections between people's work, their skill proficiency and economic productivity imply causal assumptions. But are they connected in a causal relationship? The literature suggests not.

The central principle of human capital theory holds that human beings are measured in terms of their monetary value (Marginson 1993: 31), which is to say it is an economic principle, rather than a social or cultural one. Marginson describes its origins as beginning in slavery. Later, as self-employed 'artisans and wage workers, human beings became the owners of their own human capital' (p 31). On the basis of his long and well-substantiated argument using historical, economic and social precepts, Marginson continues to show the links that were made between human capital and education,

including the '...more free market guise...led by the Organisation for Economic Co-operation and Development (OECD)' (1993: 31). However, this association of greater productivity and education was poorly grounded:

> ...human capital has failed to find empirical grounding for its key assumptions: education determines productivity, productivity determines earnings, and therefore education determines earnings...(Marginson 1993: 53)

As a result of the changing relationship between human capital theory, education and economic rationalism, education is now seen by Western governments such as the United States of America, the United Kingdom and Australia as a branch of economics exclusively, with little or no social or cultural policy implications. But this present situation has not arisen accidentally. Fordism's (and the related Taylorism's) rigid central principles of mass production and mass consumption held sway over Western economies from about 1914 until the 1973 recession (Harvey 1989: 140). The seriousness of that recession, triggered by the Arab oil embargo, can only be seen in hindsight, as corporations found themselves forced, as Harvey (1989) describes it, into '...a period of rationalisation, restructuring, and intensification of labour control...'. This period of change from Fordism and Taylorism to 'flexible accumulation' of capital was marked by:

> ...flexibility with respect to labour processes, labour markets, products, and patterns of consumption...new sectors of production...new markets, and above all, greatly intensified rates of commercial, technological, and organizational innovation. (Harvey 1989: 147)

As well as these features, there was an increasing and expanding internationalisation of labour and capital, as markets and production systems responded to changed and changing circumstances. Australia was no longer a trade 'island' sheltered by distance and protected by a buffer zone of rich natural resources and primary production. Dawkins (1988: 6) foresaw the implications for Australia:

> The society we want cannot be achieved without a strong economic base. In Australia, this now requires a greatly increased export income, a far more favourable balance of payments...our industry is increasingly faced with rapidly changing international markets in which success depends on, among other things, the conceptual, creative and technical skills of the workforce, the ability to innovate and be entrepreneurial.

Even more significantly, Dawkins (1987: 1) related these desired new features to the need for education and training:

> A better educated and more highly skilled population will be able to deal more effectively with change... At the same time, education facilitates adaptability, making it easier for individuals to learn skills related to their intended profession and improve their ability to learn while pursuing that profession.

The training reform agenda was established by Dawkins, and with it the Training Guarantee Act of 1990 which required business and industry to spend five per cent of their payroll over $200,000 on training or pay the equivalent in tax. Industry training became a growth industry as a result, and industry training literature proliferated (see for example Donaldson & Scannel 1986). The linking of productivity and education and training by Dawkins was, then, 'characterised by a symbiosis between human capital theory and arguments for market reform of education' (Marginson 1993: 50).

The reform included a heavy reliance on characteristics of post-Fordism, called by Harvey a period of 'flexible accumulation' (1989: 147) and by Marginson 'second wave human capital theory' (1993: 149). These characteristics, already outlined, include a freeing up of the educational offering which resulted in the growth in numbers of private providers, entrepreneurialism in traditional providers such as TAFE colleges, a view of education as 'the source of responsiveness to technological change' (Marginson 1993: 149), and the concurrent growth in the discourse of 'quality'.

The human capital view of people as units of capital assumes, Marginson concludes, '...an unreal certainty about the connections between education, work and earnings' (1993: 54). As also noted, the core assumptions of the human capital theory 'were never grounded empirically' (Marginson 1993: 31), a conclusion also reached by Luke who says: '...there is little correlation between literacy and economic growth' (1992: 7) if applied to the whole of a particular society. It is in this broad 'economic' context that adult literacy and significant aspects of the discourses associated with it have developed. Adult literacy is a significant case in governments' agenda for economic change and the inevitable social changes that ensue.

Social capital and learning

Before illustrating the differences between human capital and that of social capital, I will explain the notion of social capital, then draw on some empirical work on social capital and learning processes in communities.

Social capital is the taken-for-granted (and therefore often neglected) 'third capital' after physical and human. Bourdieu introduced the term to the sociological world in his 1983 paper *Economic capital, cultural capital, social capital*, though it has been in use for much longer than that. In fact the first documented use of the term is found in the social communitarian literature (Hanifan 1920). It is noted in early economic literature (see for example Silverman 1935) and then, spaced at considerable intervals, in economic works such as O'Connor (1973). However, it is never really developed in economic work, almost as if it is put in the economic 'too-hard basket'.

Established authorities define social capital in their own ways. Coleman was a highly regarded sociologist, with some major work on social capital (see for example Coleman 1988). Putnam is a political scientist, who used a major ethnography spanning a 25 year period (1993) to establish the contribution of social capital to the development of a civil society. Broadly speaking, social capital 'encompass(es) the norms and networks facilitating collective action for mutual benefit' (Woolcock 1998: 155). Woolcock is a social scientist with the World Bank. It can be seen that researchers on social capital are now located in every major discipline field that relates to social science, economics and sociology.

Portes observes that: '...whereas economic capital is in people's bank accounts and human capital is inside their heads, social capital inheres in the structure of their relationships' (1998: 7). Networks, norms, relationships of trust (see for example Fukuyama 1995) and the resultant social cohesion involve formal and informal associations – from the formal and informal clubs and associations, to the implicit networks encapsulated by 'old school tie', the Hospital Auxiliary, the email chat groups, to the neighbours over the fence and the lot we meet in the park. We are also talking about every other group, formal and informal, that we all belong to. It's not whether some

of us belong to more or fewer networks that counts, it's the nature of those networks that seems to be important.

Two earlier groups of research relate the issue of networks to employment, namely that of Stack (1974) and Granovetter (1973). In each of these cases, it was found that accessing employment was enhanced if people had access to networks outside their immediate circles. Granovetter called these ties strong ties and weak ties. He found that strong ties – those bonds that people used regularly, such as family and neighbourhood interactions – were not as useful for finding employment as the weak ties – those ties that bridged to outside the immediate community. In fact, Gittell and Vidal differentiate between these two kinds of ties by using the terms 'bonding ties' and 'bridging ties' (1998: 10). Stack's (1974) comprehensive ethnography shows how the lack of ties to sources outside the community results in restricted (among other things) knowledge of employment opportunities.

It should be clear from Granovetter's and Stack's studies alone that the business of a simple causal relationship between a more highly skilled population, as Dawkins put it, and skills and greater productivity through increased employment is flawed, posing considerable problems for the notion of human capital, and throwing a great deal of significance on the role of social capital.

Now I will refer to some research my colleagues and I recently conducted to illustrate the comparison between human and social capital (Falk & Harrison 1998; Falk & Kilpatrick 2000). This research analysed the interactions over time between around one hundred leaders in three communities. The multitude of interactions was categorised. We asked the question: what is the nature of the interactive productivity between the local networks in a community? In order to answer that question, we established what the resources were that these participants used to make sense of their worlds. Using various analytic techniques for large and small volumes of transcripts, and making various cross-community comparisons, the levels of interactions between individuals and associations in each of the three communities were compared. So the first point of comparison that is apparent is that this study of social capital and learning has *a focus on the interactions between people*, rather than on the *'skills' and 'knowledge' possessed by individual members* of the communities.

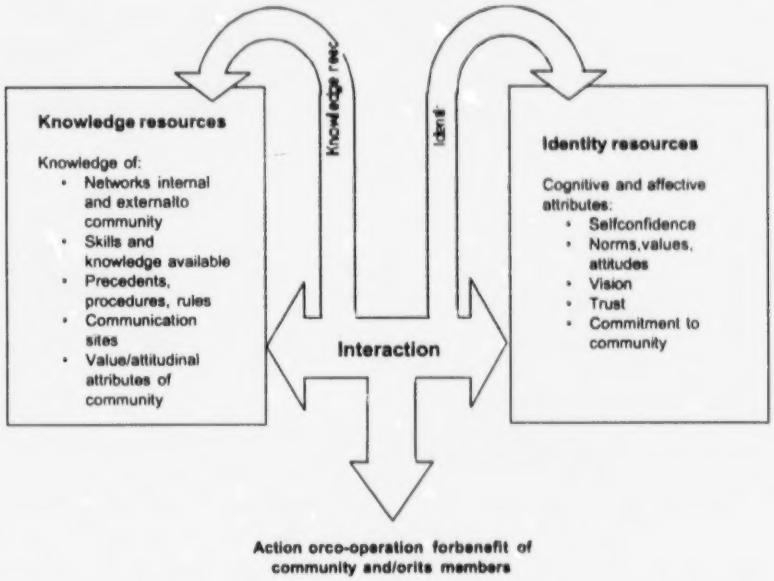
We identified ways in which the communities could be said to learn during these interactions. Using the concept of social capital (with its components of norms, networks and trust) as a basis, we examined the effects and influences of the levels of interaction on the common good in the community. After finding out the nature of these resources, we saw clearly how it was that people engaged in critical learning as they solved the problems of their everyday lives. The critical learning depended on the quality of the resources available for these people to draw on in their network interactions. The resources fell into two main groups – knowledge resources and identity resources. The knowledge resources concern people and common resources that facilitate action through people's interactions, including various forms of literacies. The identity resources concern the need to help people change and foster their identities in ways that promote self-confidence and willingness to act for the common good of their communities.

This research (Falk & Harrison 1998; Falk & Kilpatrick 2000) shows that knowledge and identity resources are crucial for the development of social capital, *but that they only*

become used and useful when brought into play through the interactions between people. It can therefore be seen that if skills are indeed important, then they are only part of the story, alongside the quality of the interactions that make those skills manifest.

This same research also shows that there is a relationship between social capital and the production of sound socioeconomic conditions (Woolcock 1998). Sound socioeconomic outcomes embrace the notion of the common good referred to earlier. The need to plan and provide for opportunities to interact, opportunities in which the knowledge and identity resources can be practised and applied, is often ignored or assumed. That is, without the interactions afforded by workplaces, participation in community events, activities, meetings and small and large interactions of all kinds, social capital simply cannot develop or be used. However, the qualities of those interactions are equally as important as their existence. The following diagram shows the relationship between social capital and the quality of its component interactions.

Figure 1: Building and using social capital
CRLRA (Centre for Research and Learning in Regional Australia) model



In summary so far, the quality of the knowledge and identity resources available for learning processes is proven to be paramount. Knowledge resources certainly include those so-called 'human capital' literacy elements of basic skills, but it is much more than that. Quality knowledge also includes knowing the 'who, when, where, why and how' of the situation in hand. Identity resources are those resources that shape our identities as we learn to adapt to change, or take on new roles and tasks. Unless we see ourselves 'in the new role' that our learning, education and training knowledge provides us with, we are unlikely to use that new knowledge. So the ways in which knowledge and identity

resources intertwine and reciprocate are crucial to critical learning. Such a notion hardly equates with the simple idea of human capital.

The 'social justice' and 'social coalition' approaches to policy

Following the election of the Coalition government, the (then) Minister for Employment, Education, Training and Youth Affairs (1997), released the ministerial statement *Reforming employment assistance.* The document stated that:

> The government has developed a streamlined package of assistance that involves a wide range of assistance to meet the needs of employers and help eligible unemployed people find work. (Minister for Employment, Education, Training and Youth Affairs 1997: 5)

Changes to the existing training programs for unemployed people who have language, literacy and/or numeracy difficulties were outlined. In particular, the Special Intervention Program (SIP) was scheduled for dismantling in May 1998. This occurred as part of the replacement of the Commonwealth Employment Service (CES) and the Department of Social Security (DSS) with Centrelink and the tendering out of the development and delivery of labour exchange service training to private and semi-government enterprises. The training placement coordination previously organised centrally by the CES was taken over by the new Private Employment Placement Enterprises (PEPEs) and Employment Placement Enterprises (EPEs), the public equivalent.

The policy context of the research drawn on in this chapter is set at the time of the transition between the Labor government's *Working Nation* social welfare policies, which I will call the 'social justice' approach to the matter, and the Coalition government's 'social coalition' approach. The dismantling of *Working Nation* paved the way for the approach of the ensuing Coalition government's radical changes to those policies. I will call this approach the social coalition approach, to use the Prime Minister's own term for his newly forged method of tackling social disadvantage. These two approaches to policy equate to two different views about social welfare.

The social justice approach assumes that many people need help to get jobs, that they will be helped to get better jobs if they: (a) have some income to assist with this process – the unemployment benefit or dole; and (b) receive training in skills which will assist them to become more attractive in the job market. These skills may involve complex and 'high order' skills associated with professions or trades, and involve a long period of training, tertiary or further education. However, in the case of those who were long-term unemployed, it was found that a large proportion of these people 'suffered' literacy or numeracy problems. The last two terms of the Labor government (from 1992 onwards) resulted in *Working Nation,* a comprehensive and well-articulated set of differentiated provisions of employment-linked training for job seeking people with literacy and numeracy difficulties.

The then Commonwealth Employment Service acted as a screening agent for eligible job seekers in this category, using a simple literacy and numeracy screening mechanism. Eligible people so screened were then referred to a training provider, often a TAFE institute, for more detailed testing and referral to specific literacy and language training courses. These courses fell into two broad groups – those for teaching English to speakers of other languages, and those for teaching literacy and numeracy to those for whom

English was their mother tongue. Within each of these two broad groupings, there were groups of courses from beginning levels to advanced levels, but all had a job seeking focus. Even the beginning literacy courses utilised materials and content which was employment and work related, or taught a range of job seeking skills.

The second policy approach, the social coalition approach, encourages the unemployed to seek and become employed, while training and education are treated as secondary tools rather than as a primary focus. Here, government sees its role as providing a free market environment for job placement, with training paid from public funds only for the extremely disadvantaged, and only if all else had failed, and not for long periods. 'Work for the dole' has becoming a reality, with groups such as GreenCorps charged with finding useful work for unemployed people to carry out their side of the 'mutual obligation', where the government's obligation is to provide some financial support while the recipient's obligation is to work for it. The Coalition government that took power from the Labor Party from 1996 has introduced a free market approach to employment agencies, dismantling the CES and the DSS in favour of Centrelink and a variety of tendering arrangements for private employment placement providers, reducing its financial support for training to a very small trickle. Lately, the free-market approach has been expanded to embrace the term 'social coalition', focusing on the role of partnerships to help tackle social disadvantage.

There are elements of social capital in both the social justice and the social coalition approaches. Social capital is locked into the Labor Party's education and training policy, while it is the Coalition government's notion of a social coalition that provides the link between literacy and social capital.

The notion of 'mutual obligation' in social welfare policies

The term 'social coalition' has been coined in response to what many see as the government's responsibility for social cohesion (see for example Editor 2000a: 16) It is a term that is used in the social capital literature to refer to the reciprocal ties between people that bind a society together (see for example Woolcock 1998). Social capital is also used by both sides of politics in Australia, as evidenced by the Labor Party's opposition policy for education and training (noted earlier in this chapter) during their national conference in Hobart in 1997, and Howard's many references to social capital in his earlier speeches as Prime Minister. However, social capital carries implications for a radical new way of viewing policy, one that Stewart-Weeks (1999: 2) describes as:

> ...a profound challenge to the way we have become used to seeing public policy and government operate....you have to confront the need for profound, systemic change in the methods, structures and values of government... The social capital logic challenges the balance between government and civil society.

So, is the message that we should not hold our collective breaths waiting for government to embrace this new position? Perhaps not. On the one hand, there is Minister Kemp's established record of back-to-basics literacy policy initiatives. On the other hand, there is the Prime Minister's current policy discourse about the social coalition that brings to a head a set of formerly different ideological strands of rhetoric endorsing the notion of a partnership 'between business, government and welfare organisations aimed at tackling social disadvantage' (Editor 2000a: 16). Using our lens of social and human capital, Kemp's policy can be seen as promoting only the mechanical literacy tools of *human*

capital, while Howard's partnership rhetoric (and a partnership *is*, after all, a network) overlays the principles of *social* capital.

Underpinning the current policy moves for a social coalition lies the 'mutual obligation' principles referred to earlier. The reciprocity envisaged in mutual obligation is between the recipients of social welfare and other sectors in society. The welfare recipient's role is epitomised presently through 'work-for-the-dole' schemes. The corporate sector is another partner, their role captured by the Prime Minister's associated notion of 'corporate philanthropy'. The community's role, formalised through the volunteer sector, is signalled in the Prime Minister's latest rural vote-catcher, the Australian Rural Partnerships Foundation. This foundation provides business with a tax-exempt structure for donating funds to rural Australia through a partnership between government, the Sidney Myer Fund and community groups. Admirable as these initiatives may be, they leave to one side the idea and implications of the term 'obligation'. Through its social capital analysis, this chapter suggests that there is a significant flaw in assuming that people will feel obliged in the relationship of reciprocity expected of mutual obligation. As in any initiative, there have to be benefits for all parties in the partnership. And at the time of the research discussed in the next section, parties to the new policy initiatives are seen to be struggling with the benefits of the mutuality.

A study of the effects of policy changes on the long-term unemployed using the framework of human and social capital

The study employed a qualitative case study approach in order to build some theory concerning the effects of policy change on the long-term unemployed, specifically those identified as being in need of literacy and numeracy improvement. In the study, 23 people were interviewed, consisting of 15 long-term unemployed people who are or were involved in adult literacy courses. They were selected because they had experienced the policy regime of at least one major change of government (and policy) at the federal level. There were four participants representing employment placement agencies of some kind, such as Centrelink. Four people interviewed were adult literacy and numeracy providers, public and private. These people were all interviewed using a semi-structured schedule with open-ended questions and probe questions. The intention was to gain as much information as possible about the ways in which the long-term unemployed had experienced 'being unemployed' during the time when policy affecting the training provisions for long-term unemployed people changed radically.

My intention in this section is to draw on the parts of the data from the study that relate specifically to the point I want to make here, namely that to be successful, welfare policy related to the unemployed must address both human and social capital elements. One without the other produces ignorance rather than knowledge growth, contributes to reduced trust in civic and social processes and structures, and results in a loss of social cohesion.

The skills associated with human capital may well play an important role in accessing and controlling the kinds of social forces that come with globalisation but, as this chapter argues, they are not enough. The knowledge explosion is one aspect of these forces – how do we find, sort and sift the knowledge we need to operate in today's world? The flipside of the coin, however, is how we cope with these forces of change as people. That

is, how are our identities affected, and should they be affected, in coping with the rate of change and knowledge expansion?

The research referred to earlier (Falk & Kilpatrick 2000) clearly establishes the role of identity (including self-esteem and self-confidence) and its reshaping during both learning and in adapting to social change. Where are the explicit policies and programs that cater for this? Perhaps the gap implied by this rhetorical question is indicated by the move to the social coalition. There is strong political evidence that governments cannot afford to place all their eggs in the economic rationalist basket, as the Goss and Kennett election defeats and the parallel rise in popularity of Pauline Hanson illustrate. Rural Australians have made their voices felt in a number of ways, and underlying these ways is the loss of trust they feel in their politicians and political systems (see for example Editor 2000b; Woolcock 1999). This loss of trust is implicated in the reported reduction in social cohesion and social capital (Putnam 1995).

Using the framework of human and social capital, human capital could be seen as 'knowledge', where I take knowledge to include knowledge of who, what, when, where and how, so incorporating skills as well. The form of capital that embraces the productivity of the interactions between people, providing for them to change their identities to embrace learning and change, is social capital. Both are necessary, neither is sufficient alone. I will present some illustrative examples from the data that show the two kinds of capital at work, and then close with some comments as to the significance of these examples for this chapter.

Human capital at work

It is well established that adult literacy students have acquired the dominant societal discourse of literacy as basic skills (see for example Falk 1991). As members of the society, they have been exposed to media and other talk so that they have come to perceive that the basic literacy skills of reading, writing and spelling with some accuracy are at the core of improving their chances in life. The study reported here confirms it yet again. As one participant put the feeling, summing up for most of them:

> *If people can read, they can better themselves.*

Classic representations of the popular 'more skills equals a better life' scenario also take the form of a belief in the positive potential benefits of qualifications:

> *I'm just doing an adult literacy course at the moment to get a high school certificate from Grade 10, and I'm doing maths, English and computers.*

And training in general is perceived to have its benefits:

> *You need training to do more jobs.*

The benefits are reported as more jobs, as in the instance above, but also in seemingly minor yet important and functional ways:

> *...my maths and everything has picked up well, and when I go into a shop now, and if they give me the wrong change, like, I can sort of figure my change out straight away and get it back. And my English and my presentation have come along a bit better than it was, like my actual speech and everything else.*

The link between literacy, lower socioeconomic class and unemployment also surfaces explicitly from time to time, as this twenty-year-old long-term unemployed man reports:

> *...if you're unemployed, then you're in the lower grade of society. It sucks. But I*

mean there's not much I can do about it at the moment apart from just go back to school and stuff.

Literacy is seen to offer a way out of this class trap. As the same adult as in the previous quote continues:

If people can read, they can better themselves.

However, the hoped-for outcome of a job is apparently not often forthcoming, as these extracts demonstrate:

You just get sick of doing courses, too. And you want to get out and get a job, and there's nothing around, see?

There's no work around.

There is less work.

There's more unemployment out there...so when there is some work there is so many people up for the one job, and of course only one person is going to get it. That makes you feel very upset and depressed.

Disillusionment sets in because the lack of employment is an open secret:

The work is not there any more...the companies haven't got the money to spend.

They [the employment placement agencies] know there's no work.

They're making it harder to find work, and the work's not there, making it harder for you...you know – like these things you've got to do to get the unemployment [benefit], when they know very well the work is not there any more.

And a final comment from a participant that seems to sum up the feelings of being required to 'go through the motions' of pretending there are jobs, but knowing there are none for them:

We're trapped...

In essence, what these reports show is the construction of the long-term unemployed identities as being characterised by illiteracy, as needing education, as accepting that literacy leads to jobs and as being at the low end of the social scale. By and large, these identities respond to change in one narrow way. The change they respond to is the lack of availability of work, or of the type of work they used to be able to do. Their response is for their identities to become characterised by disillusionment, despair and lacking in self-esteem.

Social capital at work

It will be recalled that social capital includes the networks, social norms and trust that build social cohesion. Social capital is produced through the social interactive processes that draw on the skills and knowledge acquired through learning in all its forms, including education and training programs. The links between people that result in trusting relations are as important for effective learning as is the appropriateness of the knowledge resources. Adult literacy and community education have come to be recognised for their role in supporting 'second chance' learning. This means that those who have for some reason missed out on formal education in their earlier years can have a second chance at learning through provision of learning programs for adults. It is, in effect, concerned with reconstructing identities so people can see themselves as learners,

and in roles that they previously were unprepared to undertake. One of the key features of these programs that appears to underlie their success is the manner in which they develop trust, confidence and supporting networks among their adult students (see for example Falk 2000), as well as the integrity of the continuity of provision of the learning.

One private literacy provider put this relationship – between trust first, then skills – as clearly as any I have ever heard:

> *I needed to build up trust first. I then contrived a way for clients to show me their skills...*

But trust is undermined by systems that create suspicion through entrenched anomalies. The biggest such anomaly is the 'literacy=job' equation, where the participants in this study could clearly see that literacy and further education do not provide an automatic passport to a job. They know the work is not there, and that its nature has changed to render it inaccessible to them, but the system 'pretends' the equation is correct, even to the extent where the job placement agencies are not allowed to give out information about jobs under circumstances that seem inexplicable to some:

> *...they wasn't allowed to tell me who it was or where it was – like a job – what area it was in. That system is no good.*

The notion of human capital does not seem to have served these members of society very well at all as a theory by which to conduct their lives.

Some people *do* get jobs. However, those in job placement agency queues are not in the right networks to find out about the vacancies. So what networks *will* help get jobs? One English as a second language learner replied in this way to the questions: What would help you find a job right now? What do you need most?

> *Sometimes knowing someone in a business. If people have friends in a job, they have connections.*

And what might be these helpful connections?

> *Government friends. And some of my friends have connections with a church.*

One twenty-year-old young man described the problem as follows:

> *There is work in building areas, but that's only if you are 'in the know'. You've got to know somebody in the business or something like that. Or there is work in hospitality, because it's quite a big market. But a lot of those jobs are already taken by family members and stuff like that. This is a big part of employment as a whole, that you have to be in the know before you can get a job, no matter how much training you've had, or what education you've done.*

There is a perception evident in the data, typified well by the above young man, that the amount of training and level of education will increasingly not necessarily result in a job. This youth only needs enough money to get his education and a job. As he said:

> *To get an education, I just need that money to get started, so my inspiration doesn't fall through the floor. I haven't got the money [for Year 11 schooling]. I've got no income. I don't qualify for any allowances. I'm just getting in deeper and deeper while I'm at school.*

Bring them together and what have you got?

It seems that when human capital and social capital are combined, learning, education and training are perceived as more effective. The role of developing new identities as part of the learning process emerges as a crucial element for success in learning and coping with social changes:

> *Going back to adult literacy and basic education was a very important step for me in having, getting, gaining self-confidence and actually wanting to achieve something.*

Another literacy student put it this way:

> *I was just in a ditch and I couldn't get out of it and they really lifted me out of that.*

And another:

> *It's...given me a bit of self-confidence.*

Forming new identities as active, learning, job seekers is fostered by the building of self-esteem. The one word answer of a participant to the question of what was most important in getting a job sums it up – she said: '...confidence'. Confidence is at the core of being able to use the skills and knowledge that are acquired, a point made graphically by this private literacy provider:

> *Clients could write and read but had no transference of this into a workplace.*

The reason is, of course, that basic literacy skills by themselves are simply not enough. What is needed are the social skills as well, and if not explicitly taught or addressed, their lack will cause the best intended initiatives of policy to founder.

The significance of the missing 'social capital' to effective learning and, indeed to the effective implementation of literacy policy, is underlined by these participants' extracts. It takes time to achieve the learning that involves both human and social capital, and it takes consistency of personnel and provision. This can be summed up as the Integrity of Continuity Principle that I established in recent research (Falk, Golding &Balatti 2000). It's all very well to have skills, but putting them into practice requires a reliable context of use, not a moving target in the sense of being here one day, gone the next. A context of use is a place where the skills are used, such as a workplace, a training room, a computer or a community setting. The context of use always involves networks of either people or texts that have been created by people. The context of use is, therefore, always a social place. The people networks either consist of real people or texts and artefacts that are a product of people in our society. That is, without the context of use, literacy skills cannot be used. Nor can they be useful.

By bringing human and social capital together, we increase the capacity of people to learn and respond to change. The networks, shared values and trust they acquire through their interactions serve to bring the appropriate knowledge together in the process of shaping and shifting people's perceptions of themselves – that is, their identities – in ways that *manage* learning and change rather than simply being carried along on the tide.

The sleight of hand: Discussion and conclusion

The interview extracts presented in the previous section show how literacy education is seen by the participants as one aspect of the dimension of 'knowledge' – a crucial step in acquiring qualifications that will help them gain employment. Their comments also

recognise that the knowledge and skills are but one step, and only a small part of the requirements for managing change and learning for life. They are also only one piece of the puzzle of how to get a job in a tight labour market – probably any labour market. Literacy educators have known for decades the crucial element of 'self-esteem' or 'self-confidence' in education and training. They know it allows participants to slowly come to grips with their changing roles in their identity formation as learners and doers in different capacities. They know intuitively that the identity dimension is as important as the knowledge dimension. They also know that the 'interactive opportunities' to acquire knowledge and hone their identities as lifelong learners are vital in bringing together both knowledge and identity resources into the active social forum. But as yet there has not been an accepted way to insert the discourse of the 'social' into the policy discourse of the 'economic'.

In essence, the research shows a rather depressing picture of how people try to find work and fail. They fail because they are trapped by the sleight of hand of the policy equation that assumes 'literacy=job'. There is a demonstrated mismatch between these participants' expectations of what it is to be literate, confident and employed and the reality of unemployment. In spite of the official employment statistics, these people find that the work is simply not there. Either there are no jobs at all, or the nature of work has changed so much as to make it unobtainable for these people, even if they were 'literate'. Assistance to engage in further education and lifelong learning has shrunk so as to make it almost non-existent for some groups, in defiance of the Integrity of Continuity Principle noted earlier. One twenty-year-old young man, who is trying to combine a return to complete Year 11 of schooling with job seeking, puts it this way:

> *...they haven't opened up any new options. They seem to have just cut out as many options as they could. You can't go and study. They want you to do what they want you to do, not what you yourself can do.*

Lifelong learning fades into the status of a cruel mythology when there is the threat of allowances being cut for 'being illiterate'. Employment *is*, however, possible for some. Such jobs are actually found not by going through the systemic job placement procedures, but through the closed networks that include employed people. It's not what you know, but who you know that counts here. These networks of employment opportunities are indeed an extension of the 'old school tie' and 'funny handshake' networks, but giving them these facile and catchy titles is a deceptive endorsement, and takes one's mind off the power and pervasiveness of the networks. In fact, the networks represent the site where the three elements noted early in the chapter intersect in reality. They are policy, its strategic funding mechanisms and the intended effects on recipients.

There are strong policy formation and implementation implications in this finding if policy-makers are genuine about wishing policies to be effective. It seems as if strong bonding ties might presently be encouraged by existing structures and procedures, while the research has shown these to be damaging to job seeking when not balanced with ties that bridge to networks outside the closed community – the so-called weak ties or bridging ties (Granovetter 1973; Gittell & Vidal 1998). The potential power of weak or bridging ties in finding employment is therefore diminished by present structures based on the idealised connections between capital and economic productivity, a fact that decreases the likelihood of finding jobs.

There is an old Chinese proverb that says, 'If you don't learn, you die'. In a way, literacy does provide *some* of the skills and technology needed for learning. Learning is about employing these skills in pursuit of the satisfaction of human curiosity through finding out more about our own and society's possibilities. It is possible that social capital can serve the advancement of policy by providing a language and conceptual framework that includes both the skills and the human relationship dimensions of effective learning. It is discursively armed with the right terms, such as 'capital'. It makes sense, it fits the world as we know it, it allows a vision of a world as we would like it to be, and it is used by both sides of politics. Not only politicians, but bureaucrats in all Commonwealth and state departments are using it.

But there are cautions about the cooption of social capital for policy use. First, it could be argued that the closed, bonding networks of the old school tie are social capital. If so, they have a negative effect if used in the absence of weak ties – at least an exclusionary effect – on the people whose voices have been reported here. The caution, then, lies in the *effects* of social capital on various groups, a caution that needs to be noted by those concerned with policy. For example, funding networks for good community purposes or programs needs to be tempered by funding networks with particular *qualities*. It is to be hoped that this chapter has shown that social capital also has the potential to show up such potential problem areas.

A second caution about social capital lies in the way it has the potential to be used as an excuse or reason to reduce support and resources for equal opportunity. A social coalition that reneges on government support on the grounds that 'people should work together cooperatively to provide their own solutions' is a denial of a principle responsibility of governments and needs to be watched.

There is a third and final caution, related to the idea of mutual obligation. It links to the social capital principle of reciprocity – the give and take of social relations. There has to be something in it for people to want to participate in society. Jobs, satisfaction, self-esteem and enhancement of identity are a few ways that people achieve this. The present government's emphasis is on the principle of 'mutual obligation' that underlies social welfare programs in Australia. While the new Australian Rural Partnerships Foundation provides an example of what is in it for the corporate sector, a lack of employment opportunities in many parts of the country makes any benefits for the welfare groups doubtful. Perhaps a shift towards a refined principle of mutual *benefit* might better capture the essential – and missing – requirement for success in harnessing the powers and benefits of literacies in learning to become a socially cohesive society.

Acknowledgment

I would like to acknowledge the work of Ms Suzanne Crowley in the conduct of the research discussed in this chapter.

References

Bourdieu, P 1983. 'Economic capital, cultural capital, social capital'. *Soziale–Welt*, Supplement 2: 183–198

Coleman, J 1988. 'Social capital in the creation of human capital'. *American Journal of Sociology*, 94, Supplement S: 95–120

Dawkins, J 1987. *Skills for Australia.* Canberra: AGPS

Dawkins, J 1988. *A changing workforce.* Canberra: AGPS

Department of Employment Education and Training 1991. *Australian Language and Literacy Policy.* Canberra: DEET

Donaldson, L & E Scannel 1986. *Human resource development: A new trainers' guide.* Boston: Addison-Wesley

Editor 2000a. 'Duty of trust pervades political life'. *Weekend Australian Newspaper*, 22–23 Jan: 16

Editor 2000b. 'New thinking for social accountability'. *Weekend Australian Newspaper*, 15–16 Jan: 31

Falk, I 1991. The riddle of needs-based learning in adult literacy. *Open Letter*, 2, 2: 53–59

Falk, I 2000. *Building communities: ACE, lifelong learning and social capital.* Melbourne: Office of Technical and Further Education (OTFE)

Falk, I & L Harrison 1998. 'Community learning and social capital: "Just having a little chat"'. *Journal of Vocational Education and Training*, 50, 4: 609–627

Falk, I & S Kilpatrick 2000. 'What is social capital? A study of rural communities'. *Sociologia Ruralis*, 40, 1: 87–110

Fukuyama, F 1995. *Trust: The social virtues and the creation of prosperity.* New York, NY: Free Press

Gittell, R & A Vidal 1998. *Community organizing: Building social capital as a development strategy.* Thousand Oaks, CA: SAGE Publications

Granovetter, M 1973. 'The strength of weak ties'. *American Journal of Sociology*, 78, 6: 1360–1380

Hanifan, L 1920. *The community center.* Boston: Silver Burdette and Co

Harvey, D 1989. *The condition of postmodernity.* Oxford: Basil Blackwell

Luke, A 1992. 'Literacy and work in "New Times"'. *Open Letter*, 3, 4: 3–15

Marginson, S 1993. *Education and public policy in Australia.* Melbourne: Cambridge University Press

Minister for Employment, Education, Training and Youth Affairs 1997. *Reforming employment assistance: A ministerial statement.* Canberra: DETYA

O'Connor, J 1973. *The fiscal crisis of the state.* New York: St Martin's Press

Portes, A 1998. 'Social capital: Its origins and applications in modern sociology'. *Annual Review of Sociology*, 24, 1:1–24

Putnam, R 1993. *Making democracy work: Civic traditions in modern Italy.* Princeton, NJ: Princeton University Press

Putnam, R 1995. 'Bowling alone: America's declining social capital'. *Journal of democracy*, 6, 1: 65–78

Silverman, H 1935. *The substance of economics.* Melbourne: Pitman

Stack, C 1974. *All our kin.* New York: Harper and Row

Stewart-Weeks, M 1999. 'Trick of treat? Leadership and social capital in the new public policy'. Paper presented at *Social Capital and Social Policy Conference*, AIFS, Canberra, 17 Feb

Woolcock, M 1998. 'Social capital and economic development: Toward a theoretical synthesis and policy framework'. *Theory and Society*, 27: 151–208

Woolcock, M 1999. 'Social capital earns human interest: Canberra must embrace the politics of inclusion, argues Michael Woolcock'. *Australian Newspaper*, 29 Nov: 13